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ACTION ARA-01

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	DODE-00	EB-01	EXIM-06	E-01	FRB-03	HA-09	H-01
	INRE-00	INR-01	ITC-01	JUSE-00	LAB-04	L-03	ADS-00
	NSAE-00	NSCE-00	OMB-01	OPIC-08	PA-01	PM-01	PRS-01
	P-01	SNP-01	SP-01	SSO-00	SS-01	STR-20	TRSE-00
	T-01	USIE-00	DTC-01	/087W			
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FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC IMMEDIATE 8877  
INFO AMEMBASSY BOGOTA PRIORITY  
USCINCSO QUARRY HTS PM  
USDOC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 02487

USDOC FOR 4331/EIP/WH/OSA/HLINDOW

E.O. 12356: DECL: OADR  
TAGS: PGOV, MASS, ECON, EFIN, ETRD, VE  
SUBJECT: INITIAL REACTIONS TO CAP'S MARCH 5 SPEECH

REF: CARACAS 2445

1. (C) SUMMARY: FIRST REACTIONS BY IMPORTANT  
ORGANIZATIONS AND MANY MAJOR POLITICAL FIGURES TO THE  
MARCH 5 SPEECH BY PRESIDENT PEREZ (CAP) ARE POSITIVE.  
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HIS SEVEREST CRITICS TOOK A "WAIT AND SEE" ATTITUDE.  
RAFAEL CALDERA, HOWEVER, HAS RETURNED TO THE ATTACK,  
CALLING FOR A CONSTITUTIONAL AMENDMENT TO CUT THE TERMS  
IN OFFICE OF THE CURRENT "NATIONAL AUTHORITIES" OF THE  
EXECUTIVE, LEGISLATIVE, AND JUDICIAL BRANCHES. END  
SUMMARY.

2. (U) MAJOR FIGURES  
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LEADERS OF MOST MAJOR POLITICAL PARTIES AND

UNITED STATES DEPARTMENT OF STATE  
REVIEW AUTHORITY: OSCAR J OLSON  
CLASSIFICATION: UNCLASSIFIED  
DATE/CASE ID: 08 AUG 2006 200503206

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ORGANIZATIONS WELCOMED CAP'S MARCH 5 SPEECH. THE EXCEPTIONS WERE THE FEDERATION OF CHAMBERS OF COMMERCE AND INDUSTRY (FEDECAMARAS), WHICH COMPLAINED ABOUT NEW BURDENS FOR THE BUSINESS COMMUNITY, AND ZULIA GOV. ALVAREZ PAZ, WHO SAID POLITICAL PARTY LEADERSHIP, AND NOT THE CONSTITUTION, WAS TO BLAME FOR THE COUNTRY'S PROBLEMS.

ACCION DEMOCRATICA (AD) PRESIDENT HUMBERTO CELLI - "WE FEEL ENTHUSIASTIC AND BELIEVE THAT, EFFECTIVELY, A SECOND PHASE IN THE PEREZ GOVERNMENT HAS BEGUN."

COPEI (SOCIAL CHRISTIAN) SECGEN EDUARDO FERNANDEZ - THE PEREZ GOVERNMENT HAS "A SECOND WIND...I AM DISPOSED TO GIVE PARLIAMENTARY AND POLITICAL SUPPORT TO THE MEASURES THAT THE PRESIDENT HAS JUST ANNOUNCED." LATER, ON LEAVING A MEETING WITH CAP, FERNANDEZ INDICATED THAT COPEI MIGHT ALLOW SOME OF ITS MEMBERS TO JOIN A NEW CABINET. COPEI LEADERS ARE MEETING ON MARCH 6 TO MAKE A FORMAL DECISION ON THIS ISSUE.

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MOVEMENT TOWARD SOCIALISM SECGEN FREDDY MUNOZ - "THE ANNOUNCEMENTS OF THE PRESIDENT INDICATE THAT HE IS INITIATING A RECTIFICATION (OF HIS POLICIES). THIS PLEASES US...IF THESE MEASURES ARE EFFECTIVELY CARRIED OUT...(THE CRISIS) WILL BECOME LESS GRAVE."

CARDINAL JOSE ALI LEBRUN - "I LIKED THE SPEECH VERY MUCH...WHAT I LIKED BEST IS THAT (CAP) TOOK INTO ACCOUNT THE PEOPLE...THE MEASURES SEEM TO ME CONVENIENT."

ANTONIO RIOS, PRESIDENT, VENEZUELAN WORKERS CONFEDERATION - "WE ARE SATISFIED WITH THE MODIFICATIONS IN ECONOMIC POLICY...WE CONSIDER THAT THESE MEASURES ARE THE PATH TO OVERCOME THE DIFFICULTIES THAT THE COUNTRY IS EXPERIENCING." IN RESPONSE TO A QUESTION, RIOS SAID THAT THE PRICES OF MORE PRODUCTS SHOULD BE CONTROLLED.

FREDDY ROJAS, PRESIDENT, FEDECAMARAS - THE MEASURES "SIGNIFY NEW BURDENS FOR THE BUSINESS SECTOR...THE FOCUS OF THE CORRECTIVE MEASURES WAS LOADED ON BUSINESSMEN, AND IT WAS FORGOTTEN THAT THERE IS A GREAT DEAL TO DO IN THE MATTER OF CORRECTION AND ADJUSTMENT OF STATE ENTERPRISES."

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JOSE LUIS SANTORO, PRESIDENT, FEDERATION OF SMALL AND MEDIUM INDUSTRIES - THE MEASURES ARE CORRECT AND WE "ARE DISPOSED TO COLLABORATE."

OSWALDO ALVAREZ PAZ, COPEI GOVERNOR OF ZULIA - THE MEASURES WILL NOT SOLVE THE CRISIS. "WHAT DOES NOT  
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FUNCTION HERE IS (NOT THE CONSTITUTION BUT) THE LEADERSHIP OF THE POLITICAL PARTIES...IF THOSE OF US WHO CALL OURSELVES DEMOCRATS BEGIN TO BLAME THE CONSTITUTION FOR EVERYTHING, IT MAKES NO SENSE THAT WE PUT THE FEB. 4 PLOTTERS IN JAIL."

RAMON VELASQUEZ, CONSULTATIVE COUNCIL SPOKESMAN -  
"(CAP'S) SPEECH SATISFIED US BECAUSE HE HEEDED ALMOST ALL THE RECOMMENDATIONS THAT WE SUBMITTED FOR HIS CONSIDERATION, ABOVE ALL, THOSE REGARDING SOCIAL AND ECONOMIC PROBLEMS."

FORMER PRESIDENT LUIS HERRERA CAMPINS - "I DO NOT DOUBT THAT THIS SECOND STAGE OF THE GOVERNMENT THAT BEGINS

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TODAY STARTS WITH NECESSARY RECTIFICATIONS...I WOULD  
LIKE TO HAVE HEARD THREE OTHER ANNOUNCEMENTS" ON  
DIMINISHING THE FREQUENCY OF PRESIDENTIAL TRAVEL, ON  
AGRICULTURAL POLICY, AND ON THE NAMING OF A COMMISSION  
TO GET BETTER TREATMENT FROM THE IMF AND WORLD BANK.

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3. (U) THE CRITICS

THE SEVEREST CRITICS OF CAP'S GOVERNMENT REACTED WITH  
LITTLE ENTHUSIASM, BUT DID NOT ATTACK THE SPEECH.

FORMER PRESIDENT RAFAEL CALDERA - "MANY VENEZUELAN'S LIKE  
ME ARE INCLINED TO HOPE THAT PATHS FAVORABLE TO THE  
ANNOUNCEMENTS ARE OPENED." AFTER THE SPEECH, CALDERA  
ATTENDED A MEETING OF THE BICAMERAL COMMISSION WHICH IS  
STUDYING CONSTITUTIONAL AMENDMENTS. SAYING THAT A  
CONSTITUENT ASSEMBLY WOULD TAKE TOO LONG TO REACH  
CONCLUSIONS, HE PROPOSED THAT THE TERMS IN OFFICE OF THE  
CURRENT "NATIONAL AUTHORITIES" OF THE EXECUTIVE,  
LEGISLATIVE, AND JUDICIAL BRANCHES BE CUT BY  
CONSTITUTIONAL AMENDMENT. NEW ELECTIONS, HE SAID, ARE  
"WHAT THE COUNTRY DESIRES: TO REALLY KNOW THAT IT CAN  
BEGIN ANEW."

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"NOTABLE" ARTURO USLAR PIETRI - "IF THESE MEASURES THAT THE PRESIDENT ANNOUNCED ARE NOT TRANSFORMED INTO VISIBLE AND EFFECTIVE CHANGE, WE RUN THE GREAT RISK THAT THE VENEZUELAN POLITICAL COMMUNITY WILL LOSE THE LITTLE CREDIBILITY THAT IT STILL HAS."

PUBLIC PROSECUTOR/OMBUDSMAN RAMON ESCOVAR SALOM - THE MEASURES ARE "INTERESTING, POSITIVE, AND OPEN NEW PERSPECTIVES" BUT I PREFER "NOT TO PRAISE THEM PREMATURELY."

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4. (U) PINERUA  
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LUIS PINERUA, WHO CONTINUES TO BE MENTIONED AS THE PROBABLE NEW MINISTER OF INTERIOR, APPEARED ON A MARCH 6 TV TALK SHOW AND EXPRESSED THE HOPE THAT THE POLITICAL CRISIS WOULD "NORMALIZE" AS RAPIDLY AS IT APPEARED. COMMENTING ON CALDERA'S IDEA FOR ABBREVIATING THE TERMS OF ELECTED LEADERS, PINERUA REMINDED HIS AUDIENCE THAT CALDERA IS SEEKING THE PRESIDENCY, AND SAID THAT THE PROPOSAL REFLECTED THE LATTER'S "IMPATIENCE".

5. (C) MINISTER OF JUSTICE  
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MINISTER OF JUSTICE ARMIDA QUINTANA RESIGNED ON MARCH 5, COMPLAINING THAT SHE HAD NOT BEEN CONSULTED ABOUT CAP'S PLANS TO REFORM THE JUDICIARY. ONE OF THE WEAKEST MEMBERS OF THE CABINET THAT WAS SWORN IN LAST WEEK, QUINTANA PROBABLY REALIZED SHE HAD LITTLE CHANCE OF REMAINING IN OFFICE PAST THE COMING WEEKEND AND DECIDED TO LEAVE ON HER OWN TERMS.

6. (LOU) CONSTITUENT ASSEMBLY  
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PRESIDENT OF CONGRESS PEDRO PARIS MONTESINOS TOLD THE MEDIA THAT A PROPOSED CONSTITUTIONAL AMENDMENT PROVIDING FOR A MECHANISM TO CALL A CONSTITUENT ASSEMBLY COULD BE READY WITHIN TEN DAYS. A DRAFT NOW CIRCULATING WOULD REPEAT WOULD ALLOW MEMBERS OF CONGRESS AND PUBLIC

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OFFICIALS TO BE ELECTED TO THE ASSEMBLY, IF THEY RESIGN  
FROM OFFICE 15 DAYS BEFORE THE ELECTION. (THIS IS A  
SIGNIFICANT CHANGE FROM PROPOSALS HEARD ELSEWHERE, AND  
WOULD HELP MAKE THE ASSEMBLY A LESS RADICAL BODY.)  
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